Fixed Index Annuity with Annual Reset Design

The Annual Reset feature can be powerful in helping you grow and maintain your retirement nest egg. This chart provides an example of the interest credited to an Annual Point-to-Point Fixed Index Annuity Contract in force from October 1, 2000 to October 1, 2013 and shows the value of the Annual Reset feature. The Annual Reset allows for any interest credited on each contract anniversary, to be "locked-in" and it can never be taken away even in years when the index value goes down. The interest credited is added to the premium which then becomes the Guaranteed Accumulation Value "floor" that will be included in the calculation of the interest that is credited going forward. The annual reset sets the index starting point each year at the contract owner’s anniversary. This reset feature is beneficial when the index experiences a severe downturn. This rate may be changed annually at the Company’s discretion. However, at no time will this rate ever fall below the minimum guarantees. The Minimum Guaranteed Cash Value for this product (MGCV—equals 70% of first-year premiums (87.5% of renewal premiums), less withdrawals (before any interest adjustment or reduction for applicable surrender charges), accumulated at 3% interest, is also shown.

The Annual Point-to-Point is not an investment. Rather fixed index annuities can provide powerful insurance benefits, such as:

- Protection Against Market Losses
- Guarantee of Premium;
during any given year because not only do you not lose accumulation value from the downturn, but the new starting point for future growth calculations is the lower index value.

As you can see in the chart, the Annual Point-to-Point accomplished growth due to the annual reset design. It offers growth opportunities in years when the S&P 500® has positive returns and protects against loss of premium or previously credited interest in years of negative returns.

The Annual Point-to-Point applies an Index Cap Rate, or upper limit, to calculate the index credits each year. The Index Cap Rate will always be declared on the contract anniversary and guaranteed for that year.

• Annual Reset;
• Minimum Guaranteed Cash Value (if applicable);
• Tax-Deferred Growth;1
• Guaranteed Lifetime Income; and
• The Potential to Avoid Probate in some states.

The Annual Point-to-Point fixed index annuity is not available for new sales. Renewal Premiums into existing Annual Point-to-Point fixed index annuities can be accepted. As mentioned before, while the accumulation value in this example appears favorable when viewed with performance of the S&P 500® Index, these results are not an indication that Fixed Index Annuities will outperform the S&P 500®.

1. Under current law, annuities grow tax-deferred. An annuity is not required for tax-deferral in qualified plans. Annuities may be subject to taxation during the income or withdrawal phase. Please note that neither Ty J. Young, Inc., nor any agents acting on its behalf, should be viewed as providing legal, tax or investment advice. Consult with and rely on your own qualified advisor.

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Sound and look too good to be true? Gotta be a catch, right?

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